



DID ARAB UPHEAVAL CHANGE THE ENERGY GAME OR THE WEST STILL HAVE AN EDGE ON IT?

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ABSTRACT

It all started in Tunisia on 18 December 2010 and reordered many countries in the Arabic Geography. Whereas some governments could not manage the upheaval and collapsed, some others had to face heavy civil disorder-protests and occurrences of necessary governmental reorganizations.

Many experts have studied and further analyzed the whole aspects of this Arab Spring by the sight of economics, military, sociology, religion and global politics. Obviously, there are definite changes in reorders of those affected countries and so their presence in the globe requires new policies. As a short note, today's world largely depends on energy politics because they seem to play a key role in determining global policies. From a point of view, it is unclear why nobody has yet reviewed results of the Arab Spring through the sight of energy policies. It is a good idea to note that if not all, most of these countries are definitely oil producers and their folks crave for democracy, which indeed has taken too many lives to owe. Was it worth taking the initiative and walking the democracy line with heavy loses and uncertain future due to lack of knowledge and control over militia groups? Maybe, those folks had no idea about the outcome but the West knew about how hard the transition would be. Major oil companies like to have the edge to act independently or run their international affairs as smooth as possible. They would prefer surpassing governments and their laws to extract and sell oil from known commercial reserves. Or perhaps, their preference would be causing some changes that are essential as far as who controls the laws or the oil markets in such countries.

Understanding the causes of the Arab Spring, the outcome of collapses, rebuilding and highlighting the effective changes in energy

politics, balance and role of key oil players in Africa and Middle East will help determine how global politics have been reshaped over Arabic upheaval. To do that, all current import and export rates of the due countries, existing reserves, production and infrastructure of exports, international investors and companies in the region and important projects will be considered. In addition, pre-Arab Spring Era situations will be compared with the current values and changes in energy games will be identified.

ARAB SPRING AND ENERGY GEOPOLITICS OF THE MIDDLE EAST

Middle East is the most tumultuous region in the world, plagued by sectarian and ethno-religious violence.¹ Situated in a geopolitical hotspot marked by political uncertainty, it is a stage of shifting power play of partnerships, where most countries of the Middle East suffer from democratic deficiencies and weak public confidence in illegitimate leaders. In a multipolar world with diverse national and transnational interests, the region seems to be more fragmented than ever with ensuing intense confrontation from Yemen to Syria. Even if this so-called Arab democratic movement culminates itself in responsive and representative political systems, the transition will be long and painful, as seen in the now four-year old tragic civil war in Syria.

Perhaps, not a fully appreciated game-changer behind assessment of the impacts of the Arab Spring is the rising importance of natural gas and the power struggle over control of energy sources around the Fertile Crescent. Clean-burning natural gas, despite its expense and varying demand, is a major import pillar in OECD Europe, which is more eager than ever to phase out coal and undertake greenhouse-gas emissions reduction commitments. While European natural gas consumption is



projected to grow by 0.3% till 2020,² Russia's annexation of Crimea and monopolization of energy supply routes through Ukraine to Europe has led energy consumers of the industrialized world finally to become serious about hydrocarbon alternatives. At the G7 Rome Ministerial Summit in May 2014, European leaders highlighted the need to address security challenges and ensure diversification of transit routes to sustain safe and uninterrupted access to energy.³ Meanwhile, the Eurozone crisis since 2008 has been a severe impediment for Greece and Cyprus, both of which found large hopes in offshore energy exploration projects to become net exporters of oil & gas and recover from bankruptcy in the coming decades. The Arab Spring thus intersected with Europe's alarming economic slowdown, creating diverging push and pull dimensions to the inter-regional relationship.⁴ On top of this tectonic shift in energy geopolitics, Turkey, with a projected use of 2.5 tcf⁵ of natural gas per year by 2020, sought to diversify its sources of energy geographically and translate this into economic and foreign policy gains.⁶

The competition among littoral states of the eastern Mediterranean on one side and the Persian Gulf on the other to exploit and monetize on rich offshore energy resources is a by-product of the struggle to exert political influence for furtherance of national interests in the region.

Had the Arab Spring not taken place, Russia's plan to control the alternative route over Turkey to the West would have been successfully accepted by its major consumer market in Europe. On the other hand, Turkey's plan to distribute Qatari gas to Europe would increase Turkey's ability to suppress Russia's stronghold as the major supplier of Europe. However, US\$10 billion-worth Iran-Iraq-Syria natural gas pipeline⁷ from Iran's South Pars gas field to the Mediterranean would be a lifesaver for Europe to by-pass Turkey, Qatar, and Israel to become the prime supplier of the region to Europe. Such a move could outmaneuver Israel's initiative to export newly found gas from the "world's biggest deep-water reservoir in a decade",⁸ and undermine Turkey's key position, and hinder any possi-

bility of a political resolution in Cyprus due to unattractive returns on investment in gas finds. This would have been unacceptable for the Obama administration scrambling for foreign policy success, simply because reconciliation over Cyprus would allow U.S. oil companies to make safer investments into gas exploration, substantially reduce Europe's reliance on Russia for energy supplies – while giving Cyprus, Israel, and Egypt an edge over Iran, Iraq and Syria – and help to bring pro-American countries together in a region that had become increasingly anti-western with the rise of Islamic fundamentalism.⁹ Moreover, standalone production and storage in an LNG liquefaction facility in Cyprus would have insufficient capacity to economize on gas volumes in its own Exclusive Economic Zone (EEZ), therefore desperately needing Israel's stake to reach a credible volume. If Turkey could be part of a brokered peace deal in Cyprus, this would decrease political risk and increase affordability of a Cypriot-Turkish pipeline project that may be linked with the "Southern Corridor" from Azerbaijan to Europe and by-pass Russia.

Meanwhile, global economic slowdown and the accompanying slump in oil prices dragged down growth in oil exporting countries of the Gulf. Even though the Gulf Cooperation Council (GCC) capital markets are viewed as relatively safe destinations for risk capital during periods of globally financial market volatility, post-Arab Spring political instability and a protracted downturn due to fiscal deficits have negatively impacted the region's overall outlook. Iran's come-back to the world stage by the prospect of lifting of international sanctions places it in a better position to weather oil-price shocks, while the drop in oil revenues may squeeze liquidity in the GCC, putting ever more pressure on the ruling monarchs to carry out crucial reforms to contain their closest foe's heightened political influence. This complex environment actually presents an opportunity for emergence of a sustainable and inclusive post-oil economy for Arab states in the long run.

Against this backdrop, and thanks to the changing landscape of the region, Turkey viewed the Arab Spring as an opportunity

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and put itself on the map as an important player in energy geopolitics, acting as a transit route between the Central Asia, Middle East, and Europe. Turkey’s soft power resting on its cultural, historical, and commercial links with the neighborhood set the foundation stone of this re-alignment. Most recently, the transport of crude oil to Israel through Turkey’s Mediterranean port of Ceyhan via pipelines from the semi-autonomous Kurdish Regional Government in Iraq, the holder of world’s fifth largest deposits,¹⁰ underscored Turkey’s tactical maneuverability and keen interest to consolidate its influence as an economic hub in the eastern Mediterranean. In a region polarized by prolonged conflict, autocratic tendencies, and illegitimate sub-state actors, Turkey still represents the best model for institutionalized democratic governance and diversified economic development in a Muslim-majority society.

MIDDLE EAST COUNTRIES: TODAY (POST - ARAB SPRING ERA)

To successfully evaluate the effects of the Arab spring on the due countries, energy politics, import and export rates, existing reserves, production volumes, related infrastructures, international investors and active companies in the region and important projects should be taken under consideration.

The oil & gas production - reserves - export potential volumes of the Middle East coun-

tries are summarized in Table 1. Important information presented on the table could be listed as follows:

- Only potential exporter and importer countries are focused.
- Iran, Iraq, Kuwait, Qatar, Saudi Arabia, United Arab Emirates are the most important exporters in the region, that will be given more attention to.
- Israel and Syria might be accepted as the potential future exporters after 2030.
- The analysis of Arab Spring’s effects from the view of being an exporter or an importer confirms the following results;
 - Analysis shows no direct relation between the effect incidence of Arab Spring and being an exporter or an importer.
 - The information in the Arab Spring Effect column implies;
 - HIGH means: “There is a civil war.”.
 - MIDDLE means: “There are governmental changes or ruinous protests or attacks.”.
 - LOW means: “There are some mild protests.”.

As far as the production, reserves and export potentials of the due countries are considered, Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and United Arab Emirates can be elected as

Country	Situation	Arap Spring Effect	Oil Production (mbbl/d)	Oil Export Potential (mbbl/d)	Oil Reserves (mmbbl)	Gas Production (bcma)	Gas Export Potential (bcma)	Gas Reserves (tcm)
Iran	EXPORTER	LOW	3200	1300	158	167	10	34
Iraq	EXPORTER	MIDDLE	3000	2400	140	0,6	0	3,2
Israel	POS. FUTURE EXPORTER	NO EFFECT	0,5	0	0,011	6,4	0	0,3
Bahrain	IMPORTER	MIDDLE	58	0	0,13	13,6	0	0,1
Jordan	IMPORTER	LOW	0	0	0,001	0,3	0	0,006
Kuwait	EXPORTER	MIDDLE	2800	1400	104	16	0	1,8
Lebanon	IMPORTER	MIDDLE	0	0	0	0	0	0
Syria	POS. FUTURE EXPORTER	HIGH	70	0	2,5	6	0	0,25
Palestine	IMPORTER	NO EFFECT	0	0	0	0	0	0
Oman	EXPORTER	LOW	950	830	5,5	30	10	0,9
Qatar	EXPORTER	NO EFFECT	2050	1400	25,25	156	120	25
Saudi Arabia	EXPORTER	LOW	11600	6900	269	103	0	8,3
United Arab Emirates	EXPORTER	NO EFFECT	2800	2500	98	53	8	6,1
Yemen	EXPORTER	MIDDLE	130	43	3	7,7	6,7	0,5
Turkey	IMPORTER	NO EFFECT	50	0	0,3	0,5	0	0,007

Table 1: The chart displays oil & gas production - reserve & export potentials of Middle East countries (Production & Reserve values are adapted from CIA FACTBOOK).



the major exporters for the world markets. Syria might be added due to being a popular exporter before the Arab Spring Era. Hence a new list of countries can be shaped to focus and taken into consideration. After selecting the main countries in the Middle East in accordance with the importance of energy export (mostly oil), destinations and the percentages of the export volumes for those destinations will have to be analyzed.

To determine the most important destinations, the largest oil and gas importers, their effects on the international politics and the largest economies in the world are to be examined carefully. The result of this examination states that US, EU, China, Russia and Japan could be highlighted as the first five most important energy players in the world. Table 2 displays the relation between exports

porting any oil.

- The table indicates that nearly all these exporters are selling half of their total supply volumes to these giant players in oil market.

In addition to the export rates, understanding the relations of these exporters with the 5 major players in energy game, huge international ongoing upstream projects (exploration and / or production) and the number of investors working in these exporters' oil markets are important. Looking at the number of companies from the major oil players of the world that actively operate in the Middle East might yield better analysis results to identify the effects of major oil players in those countries. The number of operating companies is given on Table 3. Table shows the number

		DESTINATIONS				
		US	EU	CHINA	RUSSIA	JAPAN
EXPORTERS	IRAN	0%	10%	40%	0%	7%
	IRAQ	14%	18%	22%	0%	2%
	KUWAIT	16%	4%	30%	0%	10%
	QATAR	2%	22%	3%	0%	20%
	SAUDI ARABIA	10%	10%	15%	0%	10%
	UAE	1%	2%	10%	0%	32%
	SYRIA	0%	0%	0%	0%	0%

Table 2: Middle East exports chart to due destinations.

of main countries in the Middle East and import destinations to those defined above.

Certain facts can be extracted from Table 2:

- All percentages in the table refer to the ratio of export volume to due destination over the exporter countries' total export volume.
- Even though being an important oil exporter country, and also there may be some small volumes of trade with the Middle East countries, Russia is accepted not importing any oil from the exporters above.
- Due to current sanctions and ongoing civil war inside, Syria is accepted not ex-

of US - EU - China - Russia - Japan originated operating companies working in due countries' upstream market. Note that companies who suspended their activities in the due country are excluded. However, "force majeure" declared companies are included. Moreover, Canadian companies are accepted as US companies.

As given on the Table 3;

- EU is the most active player in oil game in the Middle East with 27 companies.
- US come as the second by count of 13 companies.
- Russia and China both have 7 companies in total.
- Japan seems to be the worst in the game



		MAJOR PLAYERS				
		US	EU	CHINA	RUSSIA	JAPAN
EXPORTERS	IRAN	-	-	1	1	-
	IRAQ	7	12	2	4	-
	KUWAIT	-	-	-	-	-
	QATAR	2	5	1	-	1
	SAUDI ARABIA	1	1	1	1	-
	UAE	2	8	1	-	1
	SYRIA	1	1	1	1	-

Table 3: A chart displaying the number of upstream companies in due countries.

by only 2 companies but Japan's involvement in the consortiums is inevitable.

Other balances such as investor tendencies, the shifts and other important key notes related to the energy markets of the Middle East (Post-Arab Spring Era) will be mentioned in the next sections.

MIDDLE EAST COUNTRIES: BEFORE 2011 (PRE - ARAB SPRING ERA)

Making a logical comparison for energy market indicators of due exporters requires analyzing the whole data of the current and pre-Arab Spring Era regarding the knowledge and information from the Middle East. That's why; production - reserves - export potentials of the major exporters in the Middle East (See Table 4) and the changes in the number of US - EU - China - Russia - Japan originated operational companies in the due countries' upstream market (See Table 5) are prepared.

Analyzing Table 1 and utilizing the informa-

tion given on Table 3, 4 and 5, comparison charts are formed and illustrated on Table 6 and 7. Major shift in the export potentials seems to hit Iran, Iraq, Kuwait and Saudi Arabia. On the other hand, changes in company activities are mainly in Iran, Iraq and UAE, which note that Arab Spring resulted in an inevitable power shift between the key players.

After laying out some important facts regarding what has happened in the due countries' energy markets, certain comments and analysis will be presented in the next sections.

WHAT IS DIFFERENT IN THE MIDDLE EAST: COUNTRY ANALYSIS

Changes in each country in the Middle East are carefully analyzed to certain extents. Some of the extents can be mentioned as influence of foreign investors, production differences, political balance, etc. The information provided below is extracted from IHS database. It is divided into sub categories for each country and the general summary is given at the

	Oil Production (mmbld)	Oil Export Potential (mmbld)	Oil Reserves (mmmbbl)	Gas Production (bcma)	Gas Export Potential (bcma)	Gas Reserves (tcm)
IRAN	4300	2550	137	139	8	30
IRAQ	2400	1900	115	1,2	0	3,2
KUWAIT	2450	2100	104	11,5	0	1,8
QATAR	1400	1200	25,5	117	95	25,4
SAUDI ARABIA	10500	7600	263	84	0	7,8
UAE	2800	2400	98	49	0	6,5
SYRIA	401	260	2,5	6	0	0,25

Table 4: A chart that displays Production - Reserves - Export Potentials of the Middle East exporters (Production & Reserve values are adapted from CIA FACTBOOK).



		MAJOR PLAYERS				
		US	EU	CHINA	RUSSIA	JAPAN
EXPORTERS	IRAN	1	4	5	2	1
	IRAQ	1	3	2	2	1
	KUWAIT	0	0	0	0	0
	QATAR	3	4	2	0	1
	SAUDI ARABIA	1	2	1	1	0
	UAE	6	5	2	0	0
	SYRIA	2	4	1	0	0

Table 5: A chart showing the number of upstream companies in due countries.

	Difference Between 2015 and 2010 Values	
	Oil Export Potential (mbbl/d)	Gas Export Potential (bcma)
IRAN	-1250	2
IRAQ	500	0
KUWAIT	-700	0
QATAR	200	25
SAUDI ARABIA	-700	0
UAE	100	8
SYRIA	-260	0

Table 6: The chart compares Oil & Gas Export Potentials of Middle East countries.

	PLAYERS				
	US	EU	CHINA	RUSSIA	JAPAN
IRAN	-1	-4	-4	-1	-1
IRAQ	6	9	0	2	-1
KUWAIT	0	0	0	0	0
QATAR	1	-1	1	0	0
SAUDI ARABIA	0	-1	0	0	0
UAE	-4	3	-1	0	-1
SYRIA	-1	-3	0	1	0

Table 7: A chart displaying the changes in the number of upstream companies that operates in the Middle East.

end of this section.

OMAN

Changes via Arab upheaval show some progress from democracy perspective of Oman as new 'Petroleum and Minerals Law' issued by Oman government is taken place in 2011. The new law engages the Ministry of Oil and Gas in being the authority as far as oil and gas activities are concerned. New features in the law covers environmental protection, natural

gas treatment facilities and allows for export of natural gas.

Companies operating in Oman include American based Occidental Petroleum Corp. (OXY) and Petro Tel Inc. of), European based DNO ASA, RAK Petroleum Public Company Limited a subsidiary of DNO ASA, Frontier Resources International Plc., Circle Oil Plc. and Tethys Oil AB, and Middle East based CC Energy Development SAI Ltd. and several Oman companies. Oman appears to

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be unattractive for large scale companies but Shell and Total prefer to be shareholders in some of the exploration and development contracts.

Petroleum Development Oman Llc. (PDO) plans to build world’s largest solar plant to produce steam for use in its unconventional practices. Other remarkable activities are those ‘Oil Park Project’ awarded to British based Amec Foster Wheeler and development of new power plants contracted to Hyundai Engineering Company Limited of Korea.

New oil and gas discoveries show a positive outlook for Oman. Additionally, light tight oil unconventional practices are about to add up to production. Iran succeeds constructing a pipeline to export gas through Oman to Far East.

IRAQ

Democracy is at its baby steps in Iraq due to conflicts between Iraqi Government and diverse sects within the country. Namely Kurdish Regional Government claims some shares from the oil revenue, which Iraqi Government subsequently started to approve. An agreement is signed with Kuwait for the exploitation of cross-border fields. Iraqi government establishes new state oil companies to increase its exploration and production activities around the country.

Insurgency threats interrupt a fast steady pace of work in the region. However, Kurdish Region of Iraq is able to release tension for exploration practices. That is why almost all companies prefer performing in the Kurdish Region. Keeping in mind that Iraq is accepted to having one of world’s largest oil reserves, it attracts companies of all scales. ExxonMobil, BP, Chevron, Total SA, DNO ASA, ENI, Kuwait Energy Co., Repsol SA, Talisman Energy Inc., Lukoil, Genel Energy Plc., Crescent Petroleum Co. Inc., Chinese national oil companies and several other are actively operational in the region.

Iraq plans to build oil export pipeline to Aqaba port of Jordan. Agreements with Iran over Iranian gas exports appear to be Iran’s increas-

ing influence in Iraq. Upheaval effect shows a positive outlook on the reserves but the insurgency threats make it hard to bear with.

YEMEN

Public unrest in 2011 ended up in cabinet change that resulted in Yemen’s ambassador to France as new Oil Minister. Current oil production in Yemen is subject to decline steeply because of insurgent attacks to pipelines. Security threats caused many companies to halt their activities throughout the country and some of the operational companies happened to withdraw from their licensed contracts. Major actors in Yemen are a bundle of American, European, Middle Eastern, Pakistani and Chinese companies.

QATAR

One of the main issues that Qatar has to resolve is the sharp increase in population since the growth is about 300% in the last 10 years. Restructuring of Qatar Petroleum has taken place. Large scale companies such as Exxon-Mobil, Total SA and Shell mostly operates in Qatar through downstream projects. Qatar-gas LNG Process Trains, Pearl Gas to Liquids Project, Al Karaana Petrochemicals Complex, new condensate refineries in Laffan are examples of high budget downstream projects. There is no insurgency in Qatar and oil production follows a declining trend.

SAUDI ARABIA

King Salman appoints Minister of Petroleum and Mineral Resources as new Chairman of Saudi Aramco. Main actor in Saudi Arabia is its own petroleum company, Saudi Aramco, which is also discovering and evaluating country’s unconventional potential. However, China Petroleum & Chemical Corp. (SINOPEC) and Lukoil of Russia continue their exploration activities in the country. On the other hand Total SA in a joint venture with Saudi Aramco governs export refinery complex. Kellogg Brown & Root (KBR) agreed building billions of dollars’ worth refinery complex.

UNITED ARAB EMIRATES (UAE)

“Yemen: Security threats caused many companies to halt their activities throughout the country and some of the operational companies happened to withdraw from their licensed contracts.”



International Renewable Energy Agency (IRENA) headquartered in Abu Dhabi in 2009. UAE Government placed US\$136 million to fund the organization in 2015. In December 2013, Iran and UAE reached an agreement on Tunb and Abu Musa Islands negotiations. National Iranian Oil Company stops delivery of gas sales and purchase agreement with Crescent Petroleum Co. Inc. based in UAE. Drilling activities are increased in the country resulting in constructing new rigs. UAE based companies are main actors in the country where as Japanese, European and American companies also practice explorational activities. Dodsai Group of India succeeds million dollars' worth pipeline replacement construction deal. Oil refinery and LNG import facility in Fujairah are up for construction by International Petroleum Investment Corp. (IPIC) based in UAE. Oil and gas reserves in UAE appear to increase steadily.

JORDAN

Jordan has a new Minister of Energy and Mineral Resources as of 2015. The country is found to be unattractive for oil and gas industry since its reserves are small. Main actors are European companies and major events might be pipelines to export gas from Iraq, Gaza in Palestinian territories and Egypt. Oil shale practices are favored in Jordan to increase its hydrocarbon potential.

BAHRAIN

The country has an investment plan in the oil and gas sector for a time range of 20 years, most of which will be spent on exploration and production. Japanese and American companies are operational in the country. Bahrain is evaluating its unconventional reserves and its production is rising significantly. Bahrain Petroleum Co. (BAPCO) is to renew old pipelines and construct new refineries.

KUWAIT

Kuwait is one of the largest oil producers in the Middle East. Kuwait Oil Co. Ltd. oversees all the explorational activity in the country. Contracts to extract heavy oil are given

to American and European companies. The same situation is true for engineering, procurement, construction and commissioning provision.

LEBANON

Lebanese government appears to be dysfunctional. New ministry of Energy signs an agreement with Norway to assist Lebanon in oil and gas sector. Oil and gas reserves are questionable and Lebanon commences negotiations with Cyprus to delimit an exclusive economic zone. US will provide assistance to do so and Lebanon will be able to open its offshore bid round.

SYRIA

The future of Syria is still cloudy as the government and opposition forces are fighting each other. The American and European ban over Syria is ongoing. Production rates dropped significantly due to war in the country. Russia's Soyuzneftegaz starts explorational activities in offshore Syria. This might be Russia's way of holding power in the Mediterranean.

ISRAEL

Major operational companies are Israeli companies but American based Noble Energy stands out as a foreign investor in the country. Israel's oil and gas reserves have a sharp increase after the offshore discoveries in 2010, when Arab Spring started. Perhaps, it is all related; Israel has realized discoveries of huge oil and gas reserves that might have ended the power of Oil Rich Arab Era but of course, it did NOT!

IRAN

Sanctions against Iran because of its nuclear program had been effective since 2012 but they are lifted gradually. The sanctions had a notable impact on Iran's oil and gas reserves since the ban on oil and gas exports dropped the production rate and hence lowered the oil revenue. National Iranian Oil Co. (NIOC) is the major player along with a couple of Chinese companies since the other operating

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“The acts of cold war in Syria, which is the most affected country from the Arabic Upheaval, have resulted in an unrest that is triggered by terrorism and insurgency.”

companies had to leave due to sanctions. Iran is trying to build a pipeline web to export its natural gas by building routes to Pakistan, Iraq and Oman. An important note is that EU and US push Iran to allow foreign oil companies to enter the country right after lifting the sanctions that will give an opportunity for American and European companies to invest in downstream and upstream projects.

The impact of the Arab Spring over Middle Eastern countries (See Table 1) can be related to the country analysis data as a result of what has changed in the energy game. Several countries listed on Table 1 i.e. Israel, Palestine, Qatar, UAE and Turkey are not affected from the upheaval. One reason may be they either have no potential hydrocarbon reserves such as Turkey and Palestine or provide safe investment opportunities to foreign investors as Israel, UAE and Qatar do. Turkey has been investing its offshore assets in Black Sea and Mediterranean Sea but it has no luck so far. However, Turkey knows the fact that it is located between the oil producer and the consumer countries. This fact drives Turkey to accomplish being the energy corridor between them. The war in Syria has set back the plans to be an energy corridor. Palestine has not really attracted any investors because of the security problems and no possible hydrocarbon reserves. The rest of the unaffected countries (Israel, UAE and Qatar) have political stability that attracts foreign investors. Qatar's reserves have already been assessed that there is unlikely a debate for conflict on possible future reserves. Instead, the debate is for billion dollars' worth huge downstream projects. UAE is another perfect environment for EU and US companies to overtake high stakes on big upstream and downstream projects. Israel seems to be staying out of the conflicts in the region but perhaps, this is because it hides behind US, which acts as the main political dominator. Israel's great offshore discoveries brought out the idea that Israel could supply gas and be a port to Arab gas to Europe or to Turkey. This would ease security concerns of energy routes and provide an alternative for Russian gas under the stronghold of Israel over Arab gas. However, discoveries were insufficient for Israel to be the prime suppli-

er but the idea was presumed by US and EU and that is how Syria has got agitated.

The countries with low to middle effects are mentioned as having some governmental changes, protests and attacks. Among these countries (Iran, Iraq, Bahrain, Jordan, Kuwait, Lebanon, Oman, Saudi Arabia and Yemen), Lebanon, Bahrain and Jordan are treated as Palestine since they are believed to have limited reserves. Jordan might be an example country for being unpopular due to having no hydrocarbon reserves. The effect of Arab Spring in this country might be low but unnoticed. Bahrain is under American and Japanese influence. The new investment plan in the oil and gas sector provides cash flow to foreign investors. Its oil reserves are based on its unconventional reserves. Lebanon, on the other hand, seeks assistance from EU and US to evaluate its offshore reserves and delimitation of economic zone with Cyprus.

As stated on Table 1, Oman has low impact from the Arab Spring and the country review approves this finding because changes in Oman's oil market are succeeded by the new Petroleum and Minerals Law. The outcome of new petroleum law is giving flexibility to foreign investors to sign contracts for big projects such as power plants, gas treatment facilities and unconventional practices. It is quite possible to imply high European and US involvement in Oman and Yemen except that threats to pipelines in Yemen imply hardship on the investors. Saudi Arabia resembles Qatar as the fight for oil is characterized over downstream projects such as refinery complexes since Saudi Aramco is the major player in its own country but let's keep in mind that US influence over Saudi Aramco is inevitable. Kuwait can be accepted as the backyard of US and EU. Kuwait Oil Co. Ltd. oversees all the exploration activities but the unconventional and downstream projects are rewarded to EU and US companies.

Iraq has its share from the upheaval since Iraqi government seems unable to have control over the Iraqis but again attacks continues to threat stability since US occupation. Governmental changes still require more work to stabilize the country. Europe and US' absolute



influence is based in Kurdish Region as there seems to be very large oil and gas reserves. On the other hand, the diversity of sectarian outlook in the region is open to interference by Iran. The acts of cold war in Syria, which is the most affected country from the Arabic Upheaval, have resulted in an unrest that is triggered by terrorism and insurgency. Syria's future holds instability since Russia's military intervention changed the game. Exploitation of its possible offshore reserves will have to wait until the country stands on its own foot. Iran's involvement in the Arab Spring is quite notable in Syria. After US occupation in Iraq and / or rebuilding of Iraq, Iran has spread through the country due to its great influence over a large number of Iraqi Shiites. US and EU forced Iran over its nuclear program by applying sanctions but Iran and Russia has gotten closer and both countries acted as allies over the war in Syria or let's say the war in energy game.

RESULTS

The unrest in the Middle East still continues especially in Syria and Iraq, where there are severe disputes regarding who has the control over areas, where radical groups pose threats. The region is susceptible to political influence because many countries in the region are governed by Sultans and religious orientation is quite diversified since each tribe has its own way of believing in God, living, and acting by their sectarian traditions. This means if a Sultan's ruling weakens, dramatic power shifts and changes in the way of handling the laws and living conditions are expected. Since many of the tribunal masterminds are easily manipulated by money and power, foreign political involvement can easily deteriorate region's fragile structure. Hence, control over tremendous oil reserves, related infrastructures, and agreement deals are subject to be broken by the current authority or insurgency attacks. This is exactly what is happening in Syria, Iraq and Yemen these days. Radical Islamic groups occupy large areas in Syria and Iraq, and cause chaotic environment to deal with. Yemen is suffering from attacks to its pipelines as these attacks drop the production rate and so weaken Yemen's stability. Ending

insurgency and oppositions should be a must to stabilize the region.

Governmental institution has come to a halt in Syria since Syrian Government is unable to settle an agreement with the opposition leaders and stimulate the war within its borders causing a great loss of soil to Syria. Coalition forces formed by US and Europe have been applying sanctions against Syria and they are trying to dismantle a terrorist group (Daesh) that threatens both Iraq and Syria. Russia, Iran and China, on the other hand, are acting as supporting Syrian Government against the coalition and the rebel groups. Russia's aim towards having a share in energy game through Mediterranean seems to be paying out for good but the Middle East continues to suffer from this act. In fact, the area is longing for a prolonged rest.

The numbers on Table7 states the number of foreign companies practicing business in the region decreased since the start of Arab movement. Iran might be omitted because changes in the numbers are due to the sanctions against Iran's nuclear program. Perhaps the most important change is the fact that American and European involvement in the Middle East is shifting towards downstream projects in calmer states since the reserves in those countries are bound to decline and to mention, American and European companies already hold shares in the largest producing fields. Small and mid-size companies are still actively running their businesses in the south part of Middle East. However, Kurdish Region of Iraq is the new target for great reserves, hence very attractive for major players.

US and Europe have a direct control over the area, which is why Russia prefers interacting with Syria to have a share from the abundant oil and gas reserves. As pointed out earlier in this article; if Arab Upheaval had not happened, EU and US were planning to oversee a pipeline from Iran to Mediterranean through Iraq and Syria, which would have been the longest in the Middle East, with possible extensions to Lebanon and Greece. Along with Syria being listed as a potential future gas exporter in Table 1, Iran seems to hold the edge to be a prime supplier for Europe with

“Since many of the tribunal masterminds are easily manipulated by money and power, foreign political involvement can easily deteriorate region's fragile structure. Hence, control over tremendous oil reserves, related infrastructures, and agreement deals are subject to be broken by the current authority or insurgency attacks.”



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its South Pars Gas Field. Syria’s geostrategic location placed it on the center stage for rivalry between Saudi Arabia and other Sunni political actors on one side, and Iran and its Shiite proxies on the other in a struggle for regional dominance. The proposed pipeline would also provide flexibility to Europe as an alternative to its main gas supplier Russia. Especially after Russia’s military intervention in Ukraine and Europe’s unsuccessful attempt to suppress the insurgent opposition, this new pipeline would reinforce Russia’s dominance of the energy supply routes. For some reason, The Arab Spring’s arrival at Syria to start the democracy walk for Syrians and the Russian intelligence to destroy EU and US’ genuine plan coincided.

Attempts for possessing nuclear enrichment technology and dismantling of the Iraqi dictator by US gave Iran an opportunity to assemble all the Shiites in the Middle East. Perhaps, US had not counted on the fact that Iran could to manage to build a Shiite corridor from Persia to Mediterranean when it invaded Iraq. US concentration on establishing so-called Kurdish Regional Government (KRG) in the North was a genuinely designed plan because American and European companies would have control over large oil and gas reserves in this region and that KRG would provide a gray area between Sunnis, Shiites and Turks. Russia especially after the big drop in oil prices and its oil revenues decided to gain advantage in the energy game. Russians made a pact with Iran and China to support Syrian Government against rebel groups so that they could save the Shiite corridor to Mediterranean but they underestimated American intelligence as so-called Islamic State (Daesh) fighters were born in one night and appeared to control more like the half of Syria and Iraq. Interestingly, Kurdish Region is safe and sound as it is not disturbed by Daesh.

Europe’s attempts to find an alternative to Russian gas by the help of US require more puzzle pieces put together. All the pipeline alternatives make Turkey stand out as a better option because Turkey has long been an ally of Europe and US. It will never pose a threat to Europe since it is not an oil export-

ing country and it has religious ties with Arabs, which will always secure the pipelines. Making Turkey an energy corridor to transport Middle East and Caspian gas to Europe might be the key to resolve the fight over oil because all the oil and gas would be aggregated in Turkey and then distributed to Europe. That way if any of these providers having an issue with Europe decides to cut oil, Turkey would be able to flow the oil and gas over the other two. Additionally, competition among the producers would have to make noticeable discounts, which Europe might have never gotten directly.

SUMMARY

The so-called Arab Spring started from Tunisia in late 2010 and brought out the hunger for democracy throughout North Africa and the Middle East. In fact, many Arabs had no intentions to have the right to elect or to be elected but they only cared about having better living conditions and grasping their shares from the great amount of the capital passing through their soil. The resentment caused by energy games in the region have brought good results in some and worsened the conditions in the others. At last, some countries learned from their mistakes and corrected them for better but some are still making the same mistakes over and over again.

Democracy might be a correct path to walk through for Arabs. It might provide peace over disputed areas and calm the lives of innocent people. However, there are set backs since some countries’ aim such as Russia and Iran’s differs from that of the American and European coalition. China’s involvement in the area is not as aggressive as Russia and Iran’s but a notable fact is that the number of Chinese companies operating in these states is increasing day by day due to lower costs they offer. Russia is exporting oil and gas to Europe but it, with its unavoidable military power, seems to have a high-hand controlling the oil sources outside its borders. Syria serves as the most attractive and closest place for Russia to start with because of the continuing war that suits the cause. At last, Turkey has to pay great attention to what is happening in



the neighboring states as an active war started with the energy game right outside of its southern border places an economic hardship due to the refugees and political disputes that corrupts stability. No matter what the outcome is, Turkey has to be in this energy game and play a key role to resolve the conflict because energy means oil & gas for the Middle East. Within the concept of energy and energy politics, Turkey is an inseparable part of the Middle East and Turkey has to be the controller of oil and gas markets as it is located between the producer and the consumer!

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